

# **STATE PROPERTIES COMMITTEE MEETING**

**TUESDAY, MAY 29, 2007**

**The meeting of the State Properties Committee was called to order at 10:01 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard B. Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member; and John A. Pagliarini, Public Member. Others in attendance were Gerald Ratigan from the Rhode Island House of Representatives; Attorney Mary Kay, John Faltus and Brian Tefft from the Rhode Island Department of Environmental Management; David Hanna from Button Hole Golf Course; Daniel Clarke, Robert B. Jackson from the Rhode Island Department of Transportation; John Ryan from the Rhode Island Department of Administration; Donna Broccoli and Richard Delfino from the Rhode Island Department of Corrections; J. Vernon Wyman, Robin Beaupre and Ronald Cavallaro from the Rhode Island Board of Governors for Higher Education; John J. Padien, III from the Independence Square Foundation; Joseph Sabatino JLS Business Solutions; Steven Feinberg from the Rhode Island Film & Television Office; Adam McCarthy from Bridesmaids Productions, LLC; Meredith Holderbaum from the Rhode Island Senate Fiscal Office; Jessica Paden from the Rhode Island Office of the General Treasurer.**

**Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.**

**A motion was made to approve the regular minutes of the State Properties Committee meeting held on Tuesday, May 15, 2007, by Mr. Griffith subject to the**

**correction of page four (4) by Mr. Griffith and seconded by Mr. Woolley.**

**Passed**

**Unanimously**

**OLD BUSINESS – The License Agreement between Rhode Island Historical Preservation & Heritage Commission and the State of Rhode Island to utilize the State House grounds for the 30th Annual Heritage Festival on Saturday, August 25, 2007, with a rain date of Sunday, August 26, 2007, which was presented at the State Properties Committee meeting on May 15, 2007, as executed by the Committee.**

**ITEM A – University of Rhode Island – A request was made for approval of and signatures on a Lease Agreement between the University of Rhode Island and the Independence Square Foundation for 16,400 square feet of space for the University's Kinesiology program. Mr. Wyman explained that this request is a culmination of a long relationship, which began in 1991, when the State Properties Committee and the Board of Governors for Higher Education and the State of Rhode Island approved a land lease commitment to the non-profit entity, Independence Square Foundation, enabling it to construct a facility on the University of Rhode Island's campus. This relationship is now in its sixteenth year. Independence Square Foundation has developed a very mature community center, which**

**focuses on individuals and children with disabilities. In turn, the University of Rhode Island leased space within that building from its physical therapy program and later for its communications clinic. The University is a tenant in this facility and has been for a period of time. Back in 2004, the Foundation proposed to the University and the Board to build an addition to this structure on the Kingston Campus. In turn, the Foundation looked for an extension of the land lease as well as, in our case, interest in occupying a portion of this new addition as well. The Foundation then proceeded to seek federal support to help defray the cost of this construction and, to date, has raised over \$1.2 million from federal sources and is also underway with a fund raising campaign. Mr. Wyman indicated that the Board of Governors for Higher Education is before the State Properties Committee today seeking two things to enable this project to proceed forward. First, the Board is seeking an extension of the Land Lease, which the University currently has with the Independence Square Foundation. Said land lease would extend for twenty five (25) years, beginning approximately a year and a half from now, with the completion of the construction of the facility. That period is important because the federal funding, which has been committed to this project, is dependent upon having a twenty five (25) year commitment to the land. In turn, the University has a space lease before this committee to occupy approximately 16,400 square feet within the new 27,600 square foot addition. The Board also has a resolution of the State Properties Committee, which respects the new statutory requirements in the Administrative Procedures Act. In light**

of the scale of this lease commitment, it does require submission to the legislature. Mr. Wyman introduced Jack Padien, Executive Director of the Independence Square Foundation, and Gary Pannone, who is counsel and also a member of the Board of the Independence Square Foundation. Mr. Padien explained that the Independence Square Foundation was established in 1984. The Foundation works with organizations, which works with disabled kids, kids at risk and things of that nature. The Foundation has done this for the past twenty three (23) years. The University is a very important partnership of the Foundation and it has been for years. The people who established the Independence Square Foundation were the Kirks and have a very big commitment to the University over the years. It has worked out very well for all of the organizations that the Foundation works with. There are twenty five (25) different non-profit organizations under roof in the Foundation's two facilities. The new facility proposed by the Foundation would house a school for children with autism, which is currently located in trailers on the property, waiting to move in. The Foundation has an early intervention program and a continuation of our childcare center. It has been a successful program over the years, with a great relationship with the University and the Community as well. The Foundation is looking forward to this new project. Mr. Wyman summarized the basic financial elements of the lease. Mr. Wyman stated that the proposed addition has an estimated project cost of approximately \$8.2 million and as Mr. Padien has indicated the University is one of four tenants within the building and each of those

tenants, when they take occupancy in the facility, will pay a base rent, which reflects their proportionate share for operating costs. That actually is a rent, which is kept at a low level specifically in support of non-profit entities that would occupy the space and actually is trued up to actual expenses each year. The second part of the rent referred to as additional rent, which reflects the financed portion of this project, totals \$8.2 million and \$7 million of that is expected to come from financed sources and each of the tenants will pay a twenty five (25) year rental piece that will defray that cost of financing as well. For the University, that base rent, as currently estimated beginning in fiscal 2009, would be \$259,000 per year, which reflects the operating expenses for the 16,400 square feet of space. The additional rent would be \$296,500, representing the twenty five (25) year financing for our share of the building, which estimates out at about \$4.1 million dollars. That latter piece will remain fixed for the twenty five (25) year term; however, there will be an escalator annually adjusting to actual expenses on the operating side. Chairman Flynn asked what the first year expense would be. Mr. Wyman indicated that the first year expense, for the combined, would be \$555,400 for year one. That amount is a combination of the base rent for operating, plus the finance portion additional rent. At the end of twenty five (25) years, this building sits on property owned by the State and by the University and at the end of the term or by some case sooner termination, the building does become part of the property of State and the University of Rhode Island. Chairman Flynn indicated that number is different from what is both in the document and the action

request form, which themselves are different. Mr. Wyman explained that minor adjustments have been made on the square footage. The current design of the facility, (final form plans are not complete) has grown slightly to 27,600 square feet, and the University's share of the space originally 15,000 square feet has grown slightly to 16,400 square feet. Mr. Griffith indicated that the Action Request Form states \$538,000; however, on page two (2) of the certificate of chairperson of the State Properties Committee the figure is \$578,000. Mr. Griffith indicated that he understands that we are dealing with a moving train here, but asked Mr. Wyman to repeat the current anticipated first year expense. Mr. Wyman indicated that it is consistent with the documents provided this morning. The documents have been trued up so that they are accurate to the design level. Mr. Wyman indicated that the University will occupy 16,368 square feet of the 27,600 square foot building. The University will pay a base rent of \$259,000 per year for the maintenance of that and in addition \$296,500 will be our portion associated with the financing of the construction of our portion of the building. Mr. Wyman indicated that each of the tenants are contributing similarly so that ultimately the building's expense for the University when we ultimately take acquisition has been partially financed by tenants and partially funded from federal and potentially private sources as well. Mr. Griffith asked if Chairman Flynn was satisfied with the accounting of the first year expense as explained by Mr. Wyman, as he will be executing the certificate. Chairman Flynn stated that he is satisfied although the numbers will obviously have to be changed. Chairman

Flynn noted that the University acknowledges that this lease will have to go before the General Assembly and asked if any plans have been discussed in view of the General Assembly's waning days between now and late June. Mr. Wyman explained that the Board expects to potentially make an appearance before the House and Senate Finance Committee. The staffs have been present at the Board meeting and are aware of the project coming forward. Mr. Woolley stated that he has been in contact Attorney Saccoccio who indicated he would fax or e-mail corrected documents. Although Mr. Woolley had not yet received them, he assumed that the clauses discussed have been revised. Mr. Padien stated that the tenants are in full agreement with the request made by Louis Saccoccio concerning some cleanup of the Lease as to three (3) specific provisions, none of which the Foundation has any objection. Mr. Woolley indicated that it is also his understanding that as the lease is going to be presented to the General Assembly subject to its approval, if and when, approval is given, there will be further opportunity to tune up the document without changing its substance. Chairman Flynn asked Mr. Woolley if he comfortable that the documents will be revised, although he does not have the documents in hand. Mr. Woolley indicated that he is confident Mr. Saccoccio has made all the necessary revisions to the documents. Chairman Flynn indicated that the document references an Exhibit A, however, the document does not contain an Exhibit A. Mr. Griffith asked where the building is located. Mr. Wyman indicated that the building is located on Route 138 near the tennis courts on campus so there is good access to the outside community. The

childcare center has also been heavily used by University affiliates. It has been a true community center. It was previously referred as the farm school by children with autism. This will be an opportunity for that space to be integrated with the University's academic departments which have an orientation to physical therapy, speech and hearing therapy. Mr. Padien explained that Exhibit A, which is referred to here, is the same Exhibit A, which is in the existing lease, which was previously approved by the State Properties Committee. Mr. Pagliarini stated that there is an option not to take over this building at the expiration of the twenty five (25) year period. He questioned why such an option would be included as has been indicated. Mr. Wyman explained that the relationship between the University and the Independence Square Foundation is such that if both entities are continuing in a fashion which they believe is supportive of our needs, clearly there would be an amendment if the financing is satisfied to address an extension of the maintenance portion of the lease arrangement. Mr. Wyman explained that could be accomplished at that time. Mr. Wyman explained it would be more a matter of we jointly decided we want to continue the relations we have. Obviously at that point we would make adjustment for the finance portion of the lease. Mr. Pagliarini asked why such a project would not be bonded, as it is a very expensive lease and further asked why the state would be leaving that door open for a ten (10) year extension. Mr. Wyman indicated that it has more to do with the integrated relationship of the parties as Independence Square Foundation is also providing rental space to the community entities



as well and it is just a question whether or not at the end of the twenty five (25) years are we still satisfied with them as a manager of the facility on behalf of the joint tenants or would the University want to take it over and adjust occupancy at that point. Mr. Padien explained that he believes that section was included to provide the discretion by the State as whether it wanted to take over the complete management of project or essentially take the building or extend the lease. It was intended to be a favorable provision to the State of Rhode Island. Mr. Pagliarini indicated that Mr. Wyman's opening statement was that the University currently is an existing tenant in this facility. Mr. Wyman clarified that the University is a tenant in the original building. Mr. Pagliarini asked how much space the University leased in the original building. Mr. Wyman indicated the University leased approximately 16,000 square feet of the 40,000 square foot facility. Mr. Pagliarini asked if the Town of South Kingstown is levying property taxes against the entire building. Mr. Padien indicated the Town is not levying property taxes. The property is off the roll completely. Mr. Pagliarini asked if the new addition will be 16,400 of the 27,600 square foot addition. 8.1 million dollars of which the State of Rhode Island is going to pay back no more than 7.5 million over the course of twenty five (25) years, or \$296,500 per year as stated. Mr. Wyman explained that number is actually revised in the final form. The University's share of the building as a function of the revised ratio is actually about \$4.1 million. Mr. Pagliarini state that of the \$4.1 million, \$3.4 million of that is interest in the financing and inquired as to the financing. Mr.

Wyman indicated that this has been financed in the private market at a rate just under 5.2%. Mr. Pagliarini asked how that rate compares to the rate if the State of Rhode Island had financed it. Mr. Wyman indicated that it is slightly higher than what the State would pay on a bonded situation, but again it would be a different building, a different project at that point. Mr. Pannone explained for the benefit of the Committee, that what the tenant did with respect to the financing cost was to go out to the market to obtain the most favorable that they could within the context of the commercial lending situation. Chairman Flynn commented that Mr. Pagliarini's point is that no matter how good that is; it is not as low as what the State would be able to do on its own. Mr. Pannone suggested that the front-end cost may outweigh the lower interest rate. Mr. Padien indicated that in addition to that is that as we fund raise, we do our capital campaign or what have you, as we bring in money it reduces to everybody. Chairman Flynn asked how much of this project is going to be financed by the Capital Campaign. Mr. Padien indicated \$1.2 million has been raised with federal funds and that they could raise anywhere, between \$1 to \$2 million additional dollars. Mr. Padien indicated the goal is to raise everything, but that is not realistic. Chairman Flynn asked if another million dollars was raised. Mr. Pannone stated that there is no prepayment penalty on the reduction of the principle. In terms of our negotiations with the lender, was in anticipation as the capital campaign as well as the federal funding, we wanted to be able to reduce the principal which was part and parcel to the discussion with Mr. Wyman and his group. Chairman Flynn

indicated that the only money raised is \$1.2 million dollars so all the financing costs are based on 7 million dollar presumption. Mr. Pannone indicated that was the worst case scenario and they are hoping to improve upon that. Mr. Pagliarini commented 16,000 out of 40,000 thousand and 16,400 out of 27,600... Mr. Pagliarini asked what the other tenants were paying in rent. Mr. Pannone indicated that all tenants pay the same amount of rent, which is also below market. Mr. Pagliarini asked who established the market. The mission of the Independence Square Foundation is to reduce the rent structure for all non-profits to a number that is significantly below what the market would be for a commercial tenant. Mr. Pagliarini clarified that all tenants pay the same, the State verses everyone else. Mr. Wyman commented that the original building constructed had access at the time to general obligation bonds to construct that facility. So we had fit out costs at that time, but the base building was State supported at that time. Chairman Flynn stated that prior to this item going before the General Assembly the State Properties Committee Resolution will need to be revised together with whatever revisions Mr. Woolley has requested. Mr. Woolley indicated that there were some clauses in the documents regarding indemnification clause subject to the limits set by the State Tort Claims Act, which was reflected in the original lease. Mr. Pagliarini asked why there are no taxes levied. Mr. Padien stated that the addition is on University property. Mr. Pagliarini asked the panel to clarify once again that there will be no taxes. Mr. Padien indicated that there will be no taxes levied. Mr. Pagliarini indicated that there is a typographical error on page one of the Lease

**Agreement. It states “taxes assessed as of December 2003”; it should state taxes assessed as of December 2006. A motion to approve was made by Mr. Griffith subject to the discussed revisions of the Lease Agreement and the Resolution and seconded by Mr. Woolley.**

**Passed Unanimously**

**ITEM B – University of Rhode Island – A request was made for approval of and signatures on an Amendment to the Ground Agreement dated May 2, 1991, between the University of Rhode Island and the Independence Square Foundation. Mr. Wyman explained that Addendum One essentially states that upon receipt of a certificate of occupancy for the new addition, that there would be, coterminous with the space lease just discussed, an extension of the existing ground lease, which is presently in its 16th year and that again respects the requirements for federal funding and is also coincident with the proposed twenty five (25) year financing for the construction.**

**Mr. Wyman stated that both agreements have been approved by the Board of Governors. Mr. Pagliarini expressed concern that the Board of Governors is seeking an unknown date in which to commence a lease. Mr. Pagliarini asked if this is more like a resolution from the State Properties Committee, which confirms that the Committee understands their predicament, we give our support, come back the day you get your certificate of occupancy and we will extend at that point. Mr. Pagliarini indicated that at this time it appears that the Committee is basically saying we are going to extend twenty five (25) years from a date unknown. Chairman Flynn asked what the current**

end date of the lease is. Mr. Wyman indicated that there is presently four (4) more years on the existing lease. Mr. Wyman noted that the twenty five (25) year lease commitment needs to be in place to secure the federal funding for the project as well as the commercial financing. Mr. Pagliarini asked if the panel would be comfortable with the Committee granting a twenty six (26) year lease from today although it may exactly coincide. Mr. Woolley explained that there is a twenty five 25 year limit on the statutory permission; typically it is ten years; however the Board Governors is allowed twenty five (25) years. Chairman Flynn asked when we begin the twenty five (25) year lease. Mr. Woolley explained that it would essentially be twenty five (25) years subject to them actually constructing the building. If the building is not constructed then they don't get twenty five (25) years. Mr. Pannone explains that both the federal and private financing are subject to that twenty five (25) year terms. Mr. Woolley indicated that it is his understanding of the process is that the General Assembly would approve it and then they would have to come back to the State Properties Committee for execution of the documents. In the meantime, Mr. Woolley and Attorney Saccoccio will be sure that that the clauses have all the appropriate wording changing the substance or the commitments of either party. Mr. Pannone indicated that the General Assembly will want to know that this body supports the extension prior to its granting approval. Mr. Woolley indicated that will be provided in the resolution. Mr. Pannone commented that if the General Assembly does not grant its approval the project is dead in the water anyway. A motion was made to approve by Mr. Pagliarini

**and seconded by Mr. Woolley.**

**Passed Unanimously**

**ITEM C – Department of Corrections – A request was made for permission to**

**advertise a Request for Proposals for office space located in the Providence County area.**

**Mr. Ryan explained that the Department of Corrections has been working with other State-agencies in an effort to find existing rental space in the Providence area; however, no suitable space has been identified. Mr. Ryan explained that the Department of Correction is in dire need of office space in this area. Chairman Flynn asked what perpetuated the need for additional office space. Mr. Delfino explained that the Department of Corrections is currently occupying space in both the Garrahy and the Litch Judicial Complexes. However, due to expanding services offered by the courts, the Department of Corrections is being crowded out of its current space. Mr. Delfino explained that the Department of Corrections is responsible for the supervision of approximately 7,000 offenders in the Providence area. As a result, the probation and parole unit's staff has doubled and in some instances tripled. Mr. Delfino explained that it is imperative that the probation and parole offices be located in the communities where the offenders reside. Mr. Delfino explained that the number of individuals presently reporting to the Garrahy and Litch Judicial Complexes is overwhelming. Mr. Pagliarini clarified**

that although the memorandum references the Providence County Area, the Department of Corrections is seeking office space located in the City of Providence. Mr. Ryan stated that the facility will not be located in the “downtown” area; however, the offices must be located on a bus line. Chairman Flynn asked how much space the Department of Corrections is seeking. Mr. Ryan indicated that approximately 3,000 square feet of operating space will be necessary.

A motion to approve was made by Mr. Griffith and seconded by Mr. Pagliarini.

### **Passed Unanimously**

ITEM D – Department of Corrections – A request was made for permission to advertise a Request for Proposals for office space located in the Newport County area. The Department of Corrections is seeking approximately 3,000 square feet of operating space located in the Newport County area for its probation and parole offices. Mr. Ryan explained that as court interpreters are now occupying office space in the Newport County Court, there is no longer sufficient operating space for the probation and parole offices. Chairman Flynn asked whether there are any advantages to the probation and parole offices being located within walking distance to the Court. Mr. Delfino explained that the offenders pay fines and consult with clerks of the court on a regular basis, thus, there are advantages to the parole and probation offices being located in close proximity to the courts. However, it is more important that the offices be located in the communities where the offenders reside. The probation and parole offices will continue to have a presence in the court, but the

**actual supervision of offenders should be done away from the courts.**

**Mr. Griffith asked if the probation and parole offices utilize the services of the court interpreters. Mr. Delfino indicated they do not. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.**

**Passed Unanimously**

**ITEM E – Department of Environmental Management/Film & Television Office – A request was made for approval of and signatures on a Film Location Agreement between the State of Rhode Island, acting through the Department of Environmental Management and Bridesmaid Production, LLC for permission to film scenes for the motion picture “27 Dresses” at Goddard Memorial State Park in Warwick and East Beach in Charlestown. Mr. Feinberg explained that Bridesmaid Production, LLC is working in conjunction with Spyglass Development, LLC regarding the filming of the motion picture “27 Dresses” which stars Katherine Heigl, Edward Burns and James Marsden. Bridesmaid Production, LCC is seeking permission to film at Goddard Memorial State Park and East Beach State Park in Charlestown on June 1, 2007, through and including June 5, 2007. Ms. Kay explained that the Department of Environmental Management has obtained signatures on the standard forms of application for special use permits and said permits have been reviewed by the regional managers for both of thee parks. Ms. Kay indicated that additional terms and conditions were included in the special use permits and the Film Location Agreements concerning public safety and health relative to the use of park rangers and porta-johns, etc., as**



filming will overlap the opening of the parks. Ms. Kay indicated that Mr. Faltus of the Department of Environmental Managements, Parks and Recreation Division coordinated with the regional park managers to ensure that all safety and logistical issues were addressed in the Film Location Agreements. Chairman Flynn asked if any of the filming will be done at night and whether said filming will have any impact on the community. Mr. McCarthy stated that filming is scheduled at Goddard Memorial State Park from 3:00 p.m. until approximately 3:00 a.m. and filming will not interfere with the public's use of the park. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

**Passed Unanimously**

**ITEM F – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease between the Department of Environmental Management and the Golf Foundation of Rhode land for property located in Johnston commonly known as Button Hole Golf Course. Ms. Kay stated that this Indenture of Lease concerns the undeveloped Dyerville State Park. Ms. Kay introduced David Hanna from the Golf Foundation who is the onsite manager at Button Hole Golf Course. Ms. Kay explained that Button Hole Golf Course offers golf instructions to youths which would not ordinarily have the opportunity to learn the game of golf. Ms. Kay explained that when the Rhode Island Golf Foundation initially appeared before the State Properties Committee on December 12, 2006, it was about to embark on a major fund raising champagne to create an endowment for the future operation of Button Hole Golf**

**Course. Ms. Kay explained that the long-term lease will maintain the viability of the golf course in order to raise the funds necessary for the future operation of the facility. Ms. Kay explained that because Dyerville State Park has never been developed, the State of Rhode Island and the Department of Environmental Management are very supportive of this effort. Ms. Kay explained that in addition to the golf course, the Department of Transportation is in the process of constructing a bikeway along the Woonasquatucket River. The Departments of Environmental Management and Transportation are hopeful that these combined uses, will create public recreational opportunities for the residence in this area. Ms. Kay provided a copy of the insurance certificate and indicated that she is in possession of the original certificates of authority and disclosure. Ms. Kay indicated that she will provide copies of said documents to the State Properties Committee. Mr. Hanna indicated that over six thousand (6,000) children have participated in programs offered by Button Hole Golf Course over that past seven (7) years. Some of the children have been introduced to these programs through their elementary school physical education programs. Many of the programs offered at Button Hole Golf Course are active after school and on weekends. The Rhode Island Golf Foundation anticipates that 1,900 children will participate in said programs this year. The programs offered at Button Hole Golf Course focus on children between the ages of seven (7) and seventeen (17), particularly the inner- city children in an effort to reduce the financial barriers by making Button Hole Golf Course's instruction programs and the facility available to them. Once a child**

has successfully completed the Beginner I and Beginner II programs, they can play the golf course for a fee of one dollar, as often as they like, until they become eighteen (18) years of age. Button Hole Golf Course is a wonderful community resource with very little, if any, burden on the tax payer. However, the Rhode Island Golf Foundation must raise \$600,000 per year in private funds to maintain the facility and instruction programs. Mr. Hanna indicated that the disclosure form does not list the Board of Directors. There are currently eighteen (18) members on the Board of Directors. Mr. Hanna indicated that he will obtain a list of said members and submit it to the State Properties Committee as soon as possible. Chairman Flynn commented that this is a terrific program. Mr. Woolley indicated that it is his opinion and understanding, after conferring with legal counsel for the Departments of Environmental Management and Administration as well as Attorney Allaire-Johnson of the Department of Attorney General that this statutory provision allows for lease arrangement to be made for a period of twenty five (25) year increments without violating the statute. Mr. Pagliarini asked if the Lease Agreement prohibits the Rhode Golf Foundation from subleasing the property in the event the organization does not survive the hundred year term of the lease. Ms. Kay explained that the Lease Agreement contains a provision, which stipulates that in the event the Department of Environmental Management needs the subject property for an alternative public use, it can terminate the lease upon one year written notice to the Rhode Island Golf Foundation. A motion was

**made to approve by Mr. Griffith and seconded by Mr. Woolley.**

**Passed Unanimously**

**ITEM G – Department of Environmental Management – A request was made for approval of and signatures on a Warranty Deed for the acquisition of 3,849 square feet of land located along Brown Avenue in the Town of Johnston. Ms. Kay explained that it has recently come to the attention of the Department of Environmental Management that it does not own the subject property upon which it has constructed a small parking lot. The Johnston Historical Society informed the Department of Environmental Management that it is the rightful owner of the property. The Johnston Historical Society has agreed to sell the subject property to the State of Rhode Island at the assessed value of \$6,600.00. The Department has conducted a survey of the property and has obtained the title. Ms. Kay indicated that the State of Rhode Island presently utilizes the land as a public parking area for access into Snake Den State Park. The Department of Environmental Management has identified funding for this acquisition and the Purchase and Sale Contract was previously approved by the State Properties Committee in January of 2006. Therefore, the Department of Environmental Management is seeking approval of and signatures on the execution of the Warranty Deed to acquire the subject property. A**

**motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.**

**Passed Unanimously**

**ITEM H – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement between the State of Rhode Island/Department of Environmental Management and Tall Ships Rhode Island 2007, for use of State-owned property at Fort Adams State Park and State Pier 9 in Newport. Mr. Faltus explained that the Department of Environment Management has been working with the organizers of the Tall Ships event relative to a License Agreement for the utilization of facilities at Fort Adams State Park as well as State Pier Nine in Newport for the upcoming Tall Ships event. Said License Agreement will allow Tall Ships Rhode Island 2007 to utilize the property as well as provide protection and indemnification for the property during the Tall Ships event scheduled for the end of June. Tall Ships Rhode Island has hosted this event in the past and it has utilized the property both at Fort Adams and State Pier 9. A motion was made to approve by Mr. Woolley with the understanding that Exhibits 1 and Exhibit II be made a part of the License Agreement and subject to the State Properties Committees' receipt of the Certificate of Insurance and seconded by Mr. Griffith.**

**Passed Unanimously**

**ITEM I – Department of Environmental Management – A request was made for approval of and signatures on a one-season (approximately six (6) month) extension of the Lease Agreement between the Department of Environmental Management and Jason Peckham for the use of 40± acres of farm land located on Puncatest Neck Road in the Town of Tiverton. Mr. Tefft explained that Jason**

**Peckham has been the tenant farmer since 1999. Ms. Peckham entered into a lease with the Department of Environmental Management for a term of five (5) years with a three (3) year option to extend, which expired in November of 2006. At the expiration of said lease, the Department of Environmental Management began the process to obtain permission to advertise a request for proposals relative to the subject property. However, the process was delayed as a result of delinquent rental payments on the part of Mr. Peckham. Mr. Peckham has since paid his rent in full and has asked if the Department of Environmental Management will extend a one season extension to allow him to farm the subject property during the summer of 2007. Today the Department of Environmental Management is seeking the State Properties Committee's approval of a Letter Agreement between the Department of Environmental Management and Jason Peckham relative to this one-season extension. Mr. Woolley suggested that the Department of Environmental Management require Mr. Peckham to execute the Letter Agreement indicating that he agrees to the terms and conditions of said Agreement. A motion was made to approve subject to Mr. Peckham's execution of the Letter Agreement by Mr. Woolley and seconded by Mr. Griffith.**

**Passed Unanimously**

**ITEM J – Department of Transportation – Item J was deferred to a future meeting**

of the State Properties Committee at the request of the Department of Transportation.

**ITEM K – Department of Transportation – A request was made for approval of and signatures on a Purchase and Sale Contract between the State of Rhode Island, acting by and through the Department of Transportation and Briar Ledge Homes conveying 18,450 square feet of property located on Airport Road in the Town of Westerly. Mr. Clarke presented an aerial map of the subject property for review by the Committee. Mr. Clarke indicated that the State Properties Committee granted the Department of Transportation’s request for conceptual approval to convey the subject property to Briar Ledge Homes in October of 2006. Pursuant to state law the Department of Transportation offered the subject property for sale to the former owner and the Town of Westerly. The Town of Westerly informed the Department of Transportation that it wished to purchase the subject property. The Town of Westerly has executed the Purchase and Sale Agreement and submitted the deposit as required. Chairman Flynn asked why Briar Ledge Homes wanted to purchase the subject property. Mr. Clarke indicated that Briar Ledge Homes was interested in the subject property for additional vehicle parking. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.**

**Passed Unanimously**

**ITEM L – Department of Transportation – A request for permission to convey fifty-five (55) acres of State-owned land located in the Town of Johnston. Mr. Jackson explained that the Department of**

**Transportation offered the subject property for sale via a Request for Proposals on April 26, 2007. The Request for Proposals was advertised on March 15th, 22nd and 29th, 2007. The Department of Transportation held a pre-bid conference on April 5, 2006 and opened the bid on April 26, 2006. The Department of Transportation received one offer in the amount of \$555,555 or \$10,101 per acre of land. The minimum bid was \$470,000, and is exceeded by a sum of \$85,555. At this time the Department of Transportation is seeking approval to accept the offer once the Department of Transportation has offered to the property for sale to the former owners and the Town of Johnston. Chairman Flynn asked who the successful bidder is. Mr. Jackson indicated the successful bidder is DAC Properties. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.**

**Passed Unanimously**

**There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:20 a.m. Mr. Griffith made a motion to adjourn, which was seconded by Mr. Woolley.**

**Passed Unanimously**

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**Holly H. Rhodes, Executive Secretary**